

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

IN RE	§	
	§	
CLEAR INVESTIGATIVE ADVANTAGE, LLC	§	Case no.21-40139-11
	§	
DEBTOR	§	

ORDER CONFIRMING DEBTOR'S PLAN OF REORGANIZATION

CAME ON FOR CONSIDERATION by the Court at the confirmation hearing held on May 25, 2021, the Debtor's Plan of Reorganization filed March 26, 2021 ("Plan") filed by Clear Investigative Advantage, LLC, Debtor in the above-styled and numbered case. The Plan having been transmitted to all creditors, equity interest holders and parties-in-interest and the Court, having been advised that there is an outstanding Objection to the Plan filed by Christopher Wilson ("Wilson") the Court, after hearing the evidence presented, concludes as follows:

1. At least one Class of impaired creditors has voted to accept the Plan.
2. The Plan complies with the applicable provisions of Title 11, and the Debtor, as the plan proponent, has complied with the applicable provisions of Title 11.
3. The Plan has been proposed in good faith and not by any means forbidden by law.
4. The requisite number of impaired classes of claims or interests voting have voted to accept the Plan.
5. All payments made or promised to be made by the Debtor or any other person for services or for costs and expenses in, or in connection with, the Plan, and incident to the case, have

been disclosed to the Court and are reasonable or, if to be fixed after Confirmation of the Plan, will be subject to the approval of the Court.

6. The identity, qualifications, and affiliations of the persons who are to serve the Debtor, after Confirmation of the Plan, have been fully disclosed, and the appointment of such persons to such offices, or their continuance therein, is equitable, and consistent with the interests of the creditors and equity security holders and with public policy.

7. The identity of any insider that will be employed or retained by the Debtor and his compensation has been fully disclosed.

8. The Plan does not affect any rate change of any regulatory commission with jurisdiction over the rights of the Debtor.

9. The Plan is not likely to be followed by further need for reorganization.

10. The Plan does not affect any retiree benefits.

11. The Debtor reserves the right to object to the amount and allowance of all claims after Confirmation. All such objections shall be filed within sixty (60) days of the Effective Date, as defined in the Plan.

It is accordingly,

ORDERED, ADJUDGED AND DECREED the Objection by Wilson is overruled. It is further,

ORDERED, ADJUDGED AND DECREED the Plan, as attached hereto as Exhibit "A" is confirmed, except as modified herein. The Plan is hereby modified as to the treatment of the Class 2 Claimants to read as follows:

**Class 2 Claimants (Allowed Unsecured Claims)** are impaired and shall be satisfied as follows: All unsecured creditors, including those claims of Christopher Wilson, but excluding the

Class 3 Claimant, shall share pro rata in the unsecured creditors pool. The Debtor shall make monthly payments commencing thirty (30) days after the Effective Date of all its disposal income as defined in 11 U.S.C. § 1191(d) into the unsecured creditors' pool. The Debtor shall make distributions to the Class 2 creditors every 90 days commencing 90 days after the first payment into the unsecured creditors pool. The Debtor shall make up to 60 payments into the unsecured creditors pool. Based upon the Debtor schedules the Class 2 creditors will receive 100% of their Allowed Claims under this Plan. The Debtor may prepay any Class 2 creditor without penalty.

The Class 2 creditors are impaired.

It is further,

ORDERED, ADJUDGED AND DECREED nothing in this Order shall be construed as a determination of, or ruling on, the Debtor's objection to the proof of claim of Christopher Wilson.

Signed on 6/2/2021

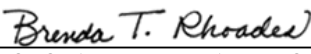
 YM  
HONORABLE BRENDA T. RHOADES,  
CHIEF UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

Eric A. Liepins  
ERIC A. LIEPINS, P.C.  
12770 Coit Road  
Suite 850  
Dallas, Texas 75251  
Ph. (972) 991-5591  
Fax (972) 991-5788

PROPOSED ATTORNEYS FOR DEBTOR

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION

IN RE	§	
	§	
CLEAR INVESTIGATIVE ADVANTAGE, LLC	§	Case no.21-40139-11
	§	
	§	
	§	
DEBTOR	§	CHAPTER 11

**PLAN OF REORGANIZATION OF CLEAR INVESTIGATIVE ADVANTAGE, LLC  
PURSUANT TO SECTION 1190  
OF THE BANKRUPTCY CODE DATED MARCH 26, 2021**

TO: ALL PARTIES-IN-INTEREST, THEIR ATTORNEYS OF RECORD AND TO THE  
HONORABLE UNITED STATES BANKRUPTCY JUDGE:

I  
INTRODUCTION

Identity of the Debtors

Clear Investigative Advantage, LLC (“Debtor”) filed its voluntary Chapter 11 case in the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division ("Court") on January 29, 2021. The Debtor operates company that provides background checks for employers. The Debtor proposes to restructure its current indebtedness and continue its operations to provide a dividend to the unsecured creditors of Debtor.

**Explanation of Chapter 11**

Chapter 11 is the principal reorganization chapter of the Code. There are different types of Chapter 11 designations. In this case, the Debtor has chosen to proceed under a Subchapter V- Small Business Debtor Reorganization (“Subchapter V”)<sup>1</sup>. Pursuant to a Subchapter V Chapter 11, a debtor is authorized to reorganize its business for its own benefit and that of its creditors and equity interest holders. Formulation of a plan of reorganization is the principal purpose of a Chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against and

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<sup>1</sup>Originally the Debtor filed as an ordinary Small Business Debtor, but on March 3, 2021 the Debtor amended its petition to elect the Sub-Chapter V status.

interests in the debtor. After a plan of reorganization has been filed, it must either be accepted by holders of claims against, or interests in, the debtor, or be found by the Court not to discriminate unfairly and that it is fair and equitable with respect to each class of claims or interests that is impaired under the plan that has not accepted the plan.

### **Explanation of the Process of Confirmation**

Acceptance of the plan by the Creditors and Equity Interest Holders is important. In order for the plan to be accepted by each class of claims, the creditors that hold at least two thirds (2/3) in amount and more than one-half (1/2) in number of the allowed claims actually voting on the plan in such class must vote for the plan and the equity interest holders that hold at least two-thirds (2/3) in amount of the allowed interests actually voting on the plan in such class must vote for the plan. As set forth above, a Subchapter V Chapter 11 does not require that each holder of a claim against, or interest in, the debtor vote in favor of the plan in order for it to be confirmed by the Court.

Confirmation of the plan discharges the debtor from all of its pre-confirmation debts and liabilities except as expressly provided for in the plan and Section 1141(d) of the Code. Confirmation makes the plan binding upon the debtors and all claimants, equity interest holders and other parties-in-interest, regardless of whether or not they have accepted the plan.

### **Voting Procedures**

**Unimpaired Class.** Claimants in Classes 1 and 4 are not impaired under the Plan. Such Classes are deemed to have accepted the Plan.

**Impaired Classes.** The Class 2 and 3 Claimants are impaired as defined by Section 1124 of the Code. The Debtor is seeking the acceptance of the Plan by Claimants in Classes 2 and 3. Each holder of an Allowed Claim in Classes 2 and 3 may vote on the Plan by completing, dating and signing the ballot sent to each holder and filing the ballot as set forth below.

For all Classes, the ballot must be returned to Eric A. Liepins, 12770 Coit Road, Suite 1100, Dallas, Texas 75251. In order to be counted, ballots must be **RECEIVED** no later than at the time and on the date stated on the ballot.

### **Best Interests of Creditors Test**

Section 1129(a)(7) of the Code requires that each impaired class of claims or interests accept the Plan or receive or retain under the Plan on account of such claim or interest, property of a value as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor was liquidated under Chapter 7 of the Bankruptcy Code. If Section 1111(b)(2) of the Bankruptcy Code applies to the claims of such class, each holder of a claim of such class will receive or retain under the Plan, on account of such claim, property of a value, as of the Effective

Date of the Plan, that is not less than the value of such holder's interest in the estate's interest in the property that secures such claims. In order for the Plan to be confirmed, the Bankruptcy Court must determine that the Plan is in the best interests of the Debtor's creditors. Accordingly, the proposed Plan must provide the Debtor's creditors with more than they would receive in a Chapter 7 liquidation. It is anticipated that in a Chapter 7 liquidation, the Debtor's creditors, other than the secured creditors, would receive nothing. Accordingly, since the Plan proposes a substantial dividend to all creditors, such creditors are receiving more than they would receive in a Chapter 7 liquidation. Accordingly, the Plan satisfies the requirements of Section 1129(a)(7).

## **ARTICLE II** **DEFINITIONS**

Unless the context otherwise requires, the following capitalized terms shall have the meanings indicated when used in this Plan which meaning shall be equally applicable to both the singular and plural forms of such terms. Any term in this Plan that is not defined herein but that is used in title 11, United States Code ("Code") shall have the meaning assigned to such term in the Code.

1. **"Administrative Claim"** shall mean those Claims entitled to priority under the provisions of Section 507 of the Code, pursuant to a claimed and allowed administrative expense priority under Section 503(b) of the Code.

2. **"Allowed Claim"** as to all Classes, hereinafter specified, shall mean a Claim against Debtor (a) for which a Proof of Claim has been timely filed with the Court by the Bar Date, or, with leave of the Court and without objection by any party-in-interest, late-filed and as to which neither the Debtor nor any party-in-interest files an objection or as to which the Claim is allowed by Final Order of the Court, or (b) scheduled in the list of creditors, as may be amended, prepared and filed with the Court pursuant to Rule 1007(b) and not listed as disputed, contingent or unliquidated as to amount, as to which no objection to the allowance thereof has been interposed through closing of this case, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending. This category includes all Claims deemed unsecured pursuant to §506(a) of the Code. When "Allowed Claim" is used in the context of a Secured Claim, the provisions of §506(b) of the Code shall also apply.

3. **"Allowed Secured Claim"** shall mean an Allowed Claim secured by a lien, security interest, or other encumbrance on the properties owned by the Debtor, which lien, security interest, or other encumbrance has been properly perfected as required by law, to the extent of the value of the property encumbered thereby. That portion of such Claim exceeding the value of the security held therefor shall be an Unsecured Claim, as defined below and determined pursuant to 11 U.S.C. §506(a).

4. **"Allowed Unsecured Claim"** shall mean an unsecured Claim against Debtor (a) for which a Proof of Claim has been timely filed with the Court by the Bar Date, or, with leave of the

Court and without objection by any party-in-interest, late-filed and as to which neither the Debtor nor any party-in-interest files an objection or as to which the Claim is allowed by Final Order of the Court, or (b) scheduled in the list of creditors, as may be amended, prepared and filed with the Court pursuant to Rule 1007(b) and not listed as disputed, contingent or unliquidated as to amount, as to which no objection to the allowance thereof has been interposed through closing of this case, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceeding is pending. This category includes all Claims deemed unsecured pursuant to §506(a) of the Code.

5. **"Bar Date"** shall mean the date fixed by the Court as the last date for filing all Claims in this case other than Administrative and Priority Claims or Rejection Claims.

6. **"Case"** shall mean this Chapter 11 case.

7. **"Claim"** shall mean any right to payment from the Debtor as of the date of entry of the Order Confirming Plan whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or can be asserted by way of set-off. Claim includes any right or cause of action based on a pre-petition monetary or non-monetary default.

8. **"Claimant"** shall mean the holder of a Claim.

9. **"Class"** shall refer to a category of holders of Claims or interests which are "substantially similar" as provided for in Section 1122 of the Code.

10. **"Code"** shall mean the United States Bankruptcy Code, being title 11 of the United States Code, as enacted in 1978 and thereafter amended.

11. **"Confirmation"** or **"Confirmation of this Plan"** shall mean entry by the Court of an Order confirming this Plan at or after a hearing pursuant to Section 1129 of the Code.

12. **"Confirmation Date"** shall mean the date on which the Court enters an Order confirming this Plan.

13. **"Court"** shall mean the United States Bankruptcy Court for the Eastern District of Texas, Sherman Division, presiding over this Chapter 11 reorganization case, or any successor court of competent jurisdiction.

14. **"Creditor"** shall mean any person having a Claim against Debtor.

15. **"Debt"** shall mean any obligation of Debtor, alone, and any obligation of Debtor and any other Person, to any Entity.

16. **"Debtor"** shall mean Clear Investigative Advantage, LLC.

17. **"Disbursing Agent"** shall mean the Reorganized Debtor or in the event of a confirmation under 11 U.S.C. §1191(b) shall mean the Sub-Chapter V Trustee.

18. **"Effective Date"** shall mean thirty days after the Final Confirmation Date.

19. **"Entity"** shall include Person, estate trust, governmental unit and the United States Trustee.

20. **"Equity Interest Holders"** shall mean holders of the equity interests in the Debtors.

21. **"Final Confirmation"** shall mean that date which is fourteen (14) days following the entry of the Order Confirming Plan, during which period of time no Notice of Appeal is filed, or if a Notice of Appeal is filed, during which period of time no Motion for Stay Pending Appeal is granted or supersedeas bond is approved and filed.

22. **"Order Confirming Plan"** shall mean the Order of the Court determining that this Plan meets the requirements of Chapter 11 of the Code and is entitled to confirmation under Chapter 11 of the Code.

23. **"Petition Date"** shall mean the date on which the Debtor filed this proceeding, January 29, 2021.

24. **"Plan"** shall mean this Plan of Reorganization in its present form or as it may be amended, modified or supplemented.

25. **"Priority Claim"** shall mean any Claim entitled to priority pursuant to Section 507(a) of the Code except for Tax Claims and Claims incurred by the Debtor post-petition in the ordinary course of business.

26. **"Rejection Claim"** shall mean any Claim arising out of the rejection of a lease or executory contract pursuant to Section 365 of the Code, which Claim shall be treated as an Unsecured Claim.

27. **"Reorganized Debtor"** shall mean the entity which shall assume title to and control of the Debtors' assets and liabilities upon confirmation as provided herein.

28. **"Secured Claim"** shall mean an Allowed Claim secured by a lien, security interest, or other encumbrance on the properties owned by the Debtor, which lien, security interest, or other encumbrance has been properly perfected as required by law, to the extent of the value of the property encumbered thereby. That portion of such Claim exceeding the value of the security held therefor shall be an Unsecured Claim, as defined below and determined pursuant to 11 U.S.C. §506(a).

29. **"Sub-Chapter V Trustee"** shall be that person appointed under 11 U.S.C. §1183.



30. **"Substantial Consummation"** shall occur upon Reorganized Debtor's commencement of payments to creditors as provided in this Plan.

31. **"Tax Claims"** shall mean any Claim entitled to priority under Section 507(a)(8) of the Code and shall include the claims of taxing authorities for taxes owed on the property retained by the Debtor under this Plan.

32. **"Unsecured Claim"** shall mean any Allowed Claim, whether or not liquidated or contingent other than a Priority Claim, a Tax Claim, or a Secured Claim.

### III REPRESENTATIONS

**NO REPRESENTATIONS CONCERNING THE DEBTOR IS AUTHORIZED BY THE DEBTOR OTHER THAN THOSE SET FORTH IN THIS PLAN. THE DEBTOR RECOMMENDS THAT ANY REPRESENTATION OR INDUCEMENT MADE TO SECURE YOUR ACCEPTANCE OR REJECTION OF THE PLAN WHICH IS NOT CONTAINED IN THIS PLAN SHOULD NOT BE RELIED UPON BY YOU IN REACHING YOUR DECISION ON HOW TO VOTE ON THE PLAN. ANY REPRESENTATION OR INDUCEMENT MADE TO YOU NOT CONTAINED HEREIN SHOULD BE REPORTED TO THE ATTORNEYS FOR DEBTOR WHO SHALL DELIVER SUCH INFORMATION TO THE COURT FOR SUCH ACTION AS MAY BE APPROPRIATE.**

**ANY BENEFITS OFFERED TO THE CREDITORS ACCORDING TO THE PLAN WHICH MAY CONSTITUTE "SECURITIES" HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE FEDERAL SECURITIES AND EXCHANGE COMMISSION ("SEC"), THE TEXAS SECURITIES BOARD, OR ANY OTHER RELEVANT GOVERNMENTAL AUTHORITY IN ANY STATE OF THE UNITED STATES. IN ADDITION, NEITHER THE SEC, NOR ANY OTHER GOVERNMENTAL AUTHORITY HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PLAN. ANY REPRESENTATIONS TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.**

**THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. FOR THE FOREGOING REASON, AS WELL AS BECAUSE OF THE IMPOSSIBILITY OF MAKING ASSUMPTIONS, ESTIMATES AND PROJECTIONS INTO THE FUTURE WITH ACCURACY, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS COMPLETELY ACCURATE, ALTHOUGH EVERY REASONABLE EFFORT HAS BEEN MADE TO ENSURE THAT SUCH INFORMATION IS ACCURATE. THE APPROVAL BY THE COURT OF THIS PLAN DOES NOT CONSTITUTE AN ENDORSEMENT BY THE**

**COURT OF THE PLAN OR GUARANTEE THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.**

**THE DEBTOR BELIEVES THAT THE PLAN WILL PROVIDE CLAIMANTS WITH AN OPPORTUNITY ULTIMATELY TO RECEIVE MORE THAN THEY WOULD RECEIVE IN A LIQUIDATION OF THE DEBTOR'S ASSETS, AND SHOULD BE ACCEPTED. CONSEQUENTLY, THE DEBTOR URGES THAT CLAIMANTS VOTE FOR THE PLAN.**

**DEBTOR DOES NOT WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS CORRECT, ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE. THE STATEMENTS CONTAINED IN THIS PLAN ARE MADE AS OF THE DATE HEREOF UNLESS ANOTHER TIME IS SPECIFIED HEREIN.**

**ARTICLE IV**

**FINANCIAL PICTURE OF THE DEBTOR**

CIA was founded in Aug 2001 with no money in the bank. We worked out of borrowed office space, and pieced together hardware. We slowly grew over the years. About 5 years into the business, we began to focus our business mainly on screening volunteers at churches, and less on providing wholesale business to other background check companies. We formed several partnerships with church organizations and begin to grow quite a bit. One of our big partnership was with Group Publishing, which begin in 2015. Group provides many resources to the thousands of churches in their database. They began referring hundreds of new churches a month over to us, and this continued at a strong pace for several years. Most of these were small churches, but they added up nicely. In 2019 we were still getting 5 to 10 new clients a day from this partnership. However, this all came to a sudden halt when the COVID pandemic hit in March of 2020. We not only lost any new clients coming in, but almost 100% of churches stopped ordering due to them all being closed across the nation. There were still a few of them ordering at certain points during 2020, but 95% of them stopped ordering all together. Churches comprise for about 65-70% of our revenue, so this hurt us badly. During 2020, our revenue was down 65% or more following COVID. 2020 was the first time in our history to lose money. We did anything we could to keep the doors open, including applying for, and obtaining, a PPP loan, securing a grant from the City of Frisco, and cutting back our employee hours. With a lot of effort, and some very difficult times, we are slowing getting back on track. Churches are slowly starting to reopen, and we are trying very hard to get some new clients signed up in other industries. It's going to be a long and slow process, but we will rebuild back to where we were in 2019, and above.

**Future Income and Expenses Under the Plan**

The Debtor filed this case on January 29, 2021 with the maintaining operations. In order

to operates profitable it was necessary for the Debtor to reduce payroll. The Debtor filed a Motion to Reject an Employment Contract with Christopher Wilson. The Court entered an Order approving the rejection of the Employment Contract on March 16, 2021. Since the filing the Debtor has been able to continue operations and a slight profit. The Debtor is hopeful the continued vaccinations will allow for increased business opportunities. Attached hereto as Exhibit "A" are projections of gross income, expenses and operating income for the next year. It is anticipated that after confirmation, the Debtor will continue in business. Based upon the projections, the Debtor believes it can service the debt to the creditors.

### **Post-Confirmation Management**

The Debtor is currently owned 100% by Jason Johnston. Mr Johnston will draw a salary from the company post petition. Johnston will remain the president of the company going forward with an annual salary of \$300,000.

### **ARTICLE V.**

### **ANALYSIS AND VALUATION OF PROPERTY**

The Debtor operates a company that provides services therefore the Debtor's assets are limited to money in the bank, outstanding accounts receivable and its office furniture and equipment. The value of the Debtor's assets, if liquidated, would not greater dividend to the unsecured creditors than proposed under this Plan.

A liquidation analysis of the Debtor's assets is attached hereto as **Exhibit "B"**.

### **ARTICLE VI**

### **SUMMARY OF PLAN OF REORGANIZATION**

The Debtor will continue in business. The Debtor's Plan will break the existing claims into 4 categories of Claimants. These claimants will receive cash payments over a period of time beginning on the Effective Date.

**Satisfaction of Claims and Debts:** The treatment of and consideration to be received by holders of Allowed Claims or interests pursuant to this Article VI of this Plan shall be the sole an exclusive means for full settlement, release and discharge of their respective Claims, Debts, or interests. On the Confirmation Date, the Reorganized Debtor shall assume all duties, responsibilities and obligations for the implementation of this Plan. Any class of Claimants failing to vote on this Plan shall be deemed to have accepted this Plan in its present form or as modified or amended as permitted herein.

**Class 1 Claimants (Allowed Administrative Claims of Professionals and Subchapter V Trustee)** are unimpaired and will be paid in cash and in full on the Effective Date of this Plan.

Professional fees are subject to approval by the Court as reasonable. Debtor's attorney's fees approved by the Court and payable to the law firm of Eric Liepins, P.C. will be paid immediately following the later of Confirmation or approval by the Court out of the available cash. The Subchapter V Trustee fees will be paid immediately following the later of Confirmation or approval by the Court out of the available cash. The Debtor's case will not be closed until all allowed Administrative Claims are paid in full. Class 1 Creditor Allowed Claims are estimated as of the date of the filing of this Plan to not exceed the amount of \$15,000.

The Class 1 Claimants are not impaired under this Plan.

**Class 2 Claimants (Allowed Unsecured Claims)** are impaired and shall be satisfied as follows: All unsecured creditors, including those claims arising from the rejection of the Employment Contract of Christopher Wilson, but excluding the Class 3 Claimant, shall share pro rata in the unsecured creditors pool. The Debtor shall make monthly payments commencing thirty (30) days after the Effective Date of \$7,500 into the unsecured creditors' pool. The Debtor shall make distributions to the Class 2 creditors every 90 days commencing 90 days after the first payment into the unsecured creditors pool. The Debtor shall make up to 60 payments into the unsecured creditors pool. Based upon the Debtor schedules the Class 2 creditors will receive 100% of their Allowed Claims under this Plan. The Debtor may prepay any Class 2 creditor without penalty.

The Class 2 creditors are impaired.

**Class 3 Claimant (Allowed Unsecured Claim of JP Morgan Chase Bank N.A.)** is impaired and shall be satisfied as follows: The Debtor is a guarantor on a loan obligation of Clear Advantage Technology Solutions, LLC to JP Morgan Chase Bank, N.A.. The Class 3 Claimant shall receive no payments under this Plan, however, the Plan will not affect the Debtor's current liability on the guaranty to Chase. For the avoidance of any doubt, no obligation of the Debtor under the guaranty is discharged through the Plan.

The Class 3 claimant is impaired under this Plan.

**Class 4 (Current Owners)** are not impaired under the Plan and shall be satisfied as follows: The current owner will receive no payments under the Plan, however, they will be allowed to retain his ownership in the Debtor.

Class 4 Claimants are not impaired under the Plan.

## **ARTICLE VII**

### **MECHANICS/IMPLEMENTATION OF PLAN**

Debtor anticipates the continued operations of the business to fund the Plan.

**ARTICLE VIII.**  
**FEASIBILITY OF PLAN**

The projections of the future business operations are attached hereto as Exhibit “A”. The Debtor believes that the projections are accurate based upon the historical operations of the business prior to the COVID-19 shutdown and the work currently on the books. Based upon the projections, the Debtor believes the Plan to be feasible.

**ARTICLE IX**  
**RETENTION OF JURISDICTION**

The Bankruptcy Court's jurisdiction to enforce or interpret this Plan shall be retained under the Plan.

**ARTICLE X.**  
**ALTERNATIVES TO DEBTOR'S PLAN**

If the Debtor's Plan is not confirmed, the Debtor’s bankruptcy case may be converted to a case under Chapter 7 of the Code, in which case a trustee would be appointed to liquidate the assets of the Debtor for distribution to its Creditors in accordance with the priorities of the Code. Generally, a liquidation or forced sale yields a substantially lower amount. In Debtor case the only hard assets would be office furniture and computers valued at \$50,000. At a forced sale the Debtor believes the office furniture and computers would not be sold for more than 50% of their current value. The amount owed to the unsecured creditors is approximately \$500,000, therefore, a liquidation would not result in a greater distribution to the unsecured creditors.

A liquidation analysis is attached hereto as Exhibit “B”.

**ARTICLE XI**  
**STATUS OF EXECUTORY CONTRACTS AND LEASES**

All unexpired leases and executory contracts shall be assumed on or before the Effective Date. To the extent there are any unexpired leases or executory contracts, which have not been assumed or dealt with in this Plan or Court Order prior to the Effective Date, they are rejected. The Debtor currently has an office lease. The Debtor specifically assumes this lease under this Plan.

**ARTICLE XII**  
**EVENTS OF DEFAULT AND EFFECT THEREOF**

Unless expressly provided herein to the contrary, no Claimant shall have the right to enforce any rights under this Plan until the Reorganized Debtor fails to cure any default hereunder within fifteen (15) days of receipt of written notice of such default to Reorganized Debtor at Jason Johnston at jason@ciaresearch.com. The Debtor will be entitled to no more than two (2) notice of default during the term of the Plan from any creditor. Upon a third default to that creditor, the automatic stay as to that creditor shall be automatically terminated.

### **ARTICLE XIII**

#### **DISCHARGE**

Upon Confirmation pursuant to 11 U.S.C. § 1191(a) to the extent that a Claim or Debt has been dealt with under this Plan, such Claim or Debt will be discharged. Upon confirmation pursuant to 11 U.S.C. § 1191(b) discharge shall occur upon completion of all payments required under this Plan.

The automatic stay imposed by Section 362 of the Code or any preliminary injunction granted by the Court to allow for Substantial Consummation of this Plan shall remain in effect until the Effective Date.

### **ARTICLE XIV**

#### **RISKS TO CREDITORS UNDER THE DEBTOR'S PLAN**

Claimants and Equity Interest Holders should be aware that there are a number of substantial risks involved in consummation of the Plan. The Plan contemplates that there will be excess funds to pay Creditor Claims.

### **ARTICLE XVI**

#### **TAX CONSEQUENCES TO THE DEBTOR**

Implementation of the Plan may result in federal income tax consequences to holders of Claims, Equity Interest Holders, and to the Debtor. In this case most of the creditors will not be paid in full the amount of their claims. Tax consequences to a particular Creditor or Equity Interest Holder may depend on the particular circumstances or facts regarding the Claim of the Creditor or the interests of the Equity Interest Holder. **CLAIMANTS ARE URGED TO CONSULT THEIR OWN TAX ADVISOR AS TO THE CONSEQUENCES OF THE PLAN TO THEM UNDER FEDERAL AND APPLICABLE STATE AND LOCAL TAX LAWS.**

### **ARTICLE XVII**

#### **PENDING OR ANTICIPATED LITIGATION**

The Debtor has evaluated potential claims which may be brought. The Debtor is unaware of any litigation which could be brought for the benefit of the creditors of the estate.

Dated: March 26, 2021.

Respectfully submitted,

Clear Investigative Advantage, LLC

/s/ Jason Johnston  
By: Jason Johnston  
Its: President

EXHIBIT 'B'

LIQUIDATION ANALYSIS

	CHAPTER 7	CHAPTER 11
ASSETS		
Cash	100,000	100,000
Office Furniture	25,000	50,000
LIABILITIES		
ADMINISTRATIVE	15,000	15,000
UNSECURED CREDITORS	500,000	500,000
DISTRIBUTION TO UNSECURED	20%	100%